

☐ UNCLASSIFIED☐ INTERNAL
USE ONLY☐ CONFIDENTIAL☐ SECRET**ROUTING AND RECORD SHEET**

SUBJECT: (Optional)

Cost Savings Effected Over the Past Two Years in the Office of Finance

FROM:

Director of Finance
1212 Key Bldg.

EXTENSION

NO.

DATE

22 June 1981

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

Chmn, CORE Working Gp.
2G02

2.

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CL 1 2610

FORM
3-62610 USE PREVIOUS
EDITIONS☐ SECRET☐ CONFIDENTIAL☐ INTERNAL
USE ONLY☐ UNCLASSIFIED

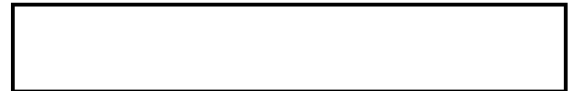
MEMORANDUM FOR: Chairman, CORE Working Group

FROM: Edward L. Sherman
Director of Finance

SUBJECT: Cost Savings Effected Over the Past Two Years
in the Office of Finance

Attached individual items of major cost savings which have occurred in the Office of Finance or because of our initiative since January of 1979.

STAT



Edward L. Sherman

Attachments:
As stated above

GL 1 2610

OFFICE OF FINANCEReduction of Agency Cashier Funds

Treasury funds held by Agency cashiers have been reduced by \$4,750,000. This results in an annual estimated savings of \$570,000 at an average borrowing rate of 12 percent to the U.S.

Treasury.

\$ 1,425,000

$$\begin{array}{r}
 570,000 \\
 570,000 \\
 \hline
 427,500 \\
 1,567,500
 \end{array}
 \begin{array}{r}
 570,000 \\
 \times .75 \\
 \hline
 285,000.00 \\
 399,000.00 \\
 \hline
 427,500.00
 \end{array}$$

$$\begin{array}{r}
 570 \\
 570 \\
 285 \\
 \hline
 1,425
 \end{array}$$

STAT

Approved For Release 2006/10/17 : CIA-RDP87-01146R000200030027-9

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Reduction of Disbursing Centers Funds

Cash on hand in Agency disbursing centers has been reduced and currency orders to the Federal Reserve have been stretched out resulting in a savings of approximately \$30,000 to the U.S. Treasury.

\$ 30,000

Improvement in National Program Bill Paying

Payments to National Program contractors has been switched from Agency bank account channels to direct deposits of Treasury checks, resulting in an estimated saving of \$300,000 per year in borrowing costs to the Treasury. This procedure also reduces delivery time of vendor payments.

\$ 750,000

Payroll Absorption of Workload

During Calendar 1980 pay cases (the number of people paid through the payroll system including CIARDS annuitants) increased

STAT This workload increase of 4.2 percent was absorbed by Payroll Division without an increase in staff. This results in a cost avoidance of \$43,598 and 2.4 additional workyears which would have been necessary to meet this increase in work. The absorption has been made possible by a series of productivity improvements made by Compensation Division.

\$ 43,598

Reduction of Delinquent Travel Advances

STAT In February of 1980 a concerted attempt was started to reduce delinquent travel advances. At that time delinquent advances numbered [] with a total cash value of \$1,335,752. With the assistance of budget and finance officers throughout the Agency these advances were reduced to [] cases with a value of \$381,395 by 31 May 1981. This results in a savings of \$48,000 to the U.S. Treasury.

STAT

\$ 48,000

Commercial Audit Savings

Audit work done on contract proposals and contract execution has resulted in the reduction of contracts and payments amounting to \$10,648,697 over the past six months.

\$ 10,648,697

Improvement in Bill Paying Production

During the last 15 months we increased the average number of bills paid from roughly 3000 to 4000 per month, a 33 percent increase. We also reduced the number of unpaid bills over 30 days old from 1200 to 300. This productivity increase was accomplished with the assistance of the Office of Logistics and contract and B&F officers throughout the Agency, but without any increase in staff in the Audit and Certification Division. Savings cannot be measured in dollars but have occurred in terms of hard savings to contractors through more timely payments, hard savings to the Agency through better contractor relationships, and through a decrease in complaint correspondence.

N, A,